



**JOHN CHIANG**  
**California State Controller**

April 27, 2012

Mark Cowin, Director  
Department of Water Resources  
1416 Ninth Street, Room 1115-1  
Sacramento, CA 95814

Dear Mr. Cowin:

The State Controller's Office reviewed claims submitted by the Marin County Flood Control and Water Conservation District under the Flood Control Subventions Program. Our review objective was to determine whether the costs claimed as presented in the attached Summary of Project Costs are allowable and in compliance with the California Department of Water Resources' Guidelines for State Reimbursement on Flood Control Projects. Our review was limited to validating consultant costs.

The district claimed costs of \$16,223 for the Corte Madera Creek Flood Control project for the period of April 9, 1986, through July 8, 1986. Our audit disclosed that \$16,223 is unallowable. The unallowable costs of \$16,223 occurred because the district did not retain records to support the costs claimed (see Attachment 2—Finding and Recommendation).

If you have any questions, please contact Steven Mar, Chief, Local Government Audits Bureau, at (916) 324-7226.

Sincerely,

*Original signed by*

**JEFFREY V. BROWNFIELD**  
Chief, Division of Audits

JVB/vb

Attachments:

- Attachment 1—Summary of Project Costs
- Attachment 2—Finding and Recommendation

cc: Nahideh Madankar, Chief  
    Flood Control Subventions Program  
    Division of Flood Management  
    Department of Water Resources  
Bob Beaumont, Director of Public Works  
    Marin County Flood Control and Water Conservation District  
Roy Given, Director of Finance  
    Marin County  
Susan Adams, President  
    Marin County Board of Supervisors  
Jack Curley, Project Manager  
    Marin County Flood Control and Water Conservation District

RE: S12-FLC-901

**Attachment 1—  
Summary of Project Costs  
April 9, 1986, through July 8, 1986**

| Project            | Claim<br>Number | District<br>Claim<br>Number | Costs<br>Claimed | Allowable<br>Per<br>Review | Review<br>Adjustments <sup>1</sup> | State Share of<br>Eligibility<br>Percentage <sup>2</sup> | State Share<br>of Allowable<br>Costs <sup>2</sup> |
|--------------------|-----------------|-----------------------------|------------------|----------------------------|------------------------------------|--|---|
| Corte Madera Creek | CMC 86-1        | 1                           | \$ 16,223        | \$ —                       | \$ (16,223)                        | 100%   | \$ —  |
| Totals             |                 |                             | \$ 16,223        | \$ —                       | \$ (16,223)                        |  | \$ —  |

<sup>1</sup> See the Finding and Recommendation section.

<sup>2</sup> The State share of allowable project costs represents the percentage of State funding, as stipulated in the California Water Code, for each project cost category.

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## Attachment 2— Finding and Recommendation

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**FINDING—  
Professional  
services costs not  
documented**

The district did not retain payment records to support professional services costs claimed during the period of April 9, 1986, through July 8, 1986. Consequently, we could not verify the accuracy or validity of costs claimed in the amount of \$16,223.

The district's record retention policy indicates that payment records are maintained until project completion, plus ten years. The State Controller's Office (SCO) review included claimed costs that are more than ten years old. The district explained that it is not possible to provide the SCO with payment records, due to the age of the records involved.

DWR's Guidelines for State Reimbursement on Flood Control Projects (February 1974), section VI, Part D, specifies that the local agency must maintain its records of project expenditures until the final audit is made.

As a result, claimed costs of \$16,223 are unallowable.

Recommendation

The district should reduce its claim for reimbursement by \$16,223. In the future, the district should ensure that all records necessary to support claimed costs are retained until the final audit is performed by the SCO.